



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: January 13, 2009

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Drinking Water State Revolving Fund Loan For Improvements At The William B. Cater Water Treatment Plant

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Designating the City Administrator as the Individual Authorized to Apply for the Drinking Water State Revolving Fund (DWSRF) Loan on Behalf of the City, Authorizing the City Administrator to Execute the DWSRF Loan Application, and Identifying the Water Fund as the Dedicated Source of Funding for Repayment of the DWSRF Loan.

DISCUSSION:

A DWSRF loan has been identified by staff as an attractive instrument to fund the Ozonation Project at the William B. Cater Water Treatment Plant. The DWSRF provides loans at interest rates that have historically been 50% of the average interest rate paid by the State on general obligation bonds issued in the prior calendar year (approximately 3%). There is no obligation associated with applying for a DWSRF loan.

According to the loan requirements, a Resolution of the water system's governing body (City) must be attached to the loan application designating the authorized representative, authorizing that individual to apply for the loan, and dedicating a repayment source.

The attached Resolution designates the City Administrator as the authorized individual to apply for the loan on behalf of the City, and identifies the Water Fund as the source of funds for repayment of the loan.

The maximum loan amount under the DWSRF loan program is \$20 million. Based on the preliminary engineering estimates for the Ozonation Project, it is likely that a City DWSRF loan application for this project will be between \$15 million and the \$20 million program maximum.

At their regular meeting on December 8, 2008, the Board of Water Commissioners voted 4 to 0 in concurrence with the Council Agenda Report Recommendation.

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